

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1990

Introduced by Assembly Member Anderson

February 17, 2010

~~An act relating to taxation.~~ *An act to add Section 17052.19 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1990, as amended, Anderson. Income taxes: ~~reduction.~~ *credit: unemployed workers: child care costs.*

The Personal Income Tax Law ~~imposes taxes upon taxable income~~ and Corporation Tax Law provide tax credits for startup expenses for child care programs or for constructing a child care facility, costs for child care information and referral services, and costs paid or incurred for contributions to a qualified child care plan. Under existing law, these credits are available for certain taxable years beginning before January 1, 2012.

This bill would ~~declare the Legislature's intent to enact legislation that would reduce personal income taxes, for each taxable year beginning on or after January 1, 2011, provide a tax credit for 100% of the costs paid or incurred by the taxpayer, as defined, for contributions, as defined, for child care, as specified.~~

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION. 1. Section 17052.19 is added to the Revenue and*
2 *Taxation Code, to read:*

3 17052.19. (a) *For each taxable year beginning on or after*
4 *January 1, 2011, there shall be allowed as a credit against the*
5 *“net tax” (as defined by Section 17039) an amount equal to the*
6 *amount determined in subdivision (b).*

7 (b) (1) *The amount of the credit allowed by the section shall*
8 *be 100 percent of the cost paid or incurred by the taxpayer for*
9 *contributions for child care costs made on behalf of any qualified*
10 *dependent of the taxpayer.*

11 (2) *The amount of the credit allowed by this section in any*
12 *taxable year shall not exceed five hundred dollars (\$500) for each*
13 *qualified dependent.*

14 (c) *For purposes of this section:*

15 (1) *“Contributions” include direct payments to child care*
16 *programs or providers.*

17 (2) *“Qualified child care” includes, but is not limited to,*
18 *center-based service, in-home care, or home-provider care.*

19 (3) *“Qualified dependent” means any dependent of a taxpayer*
20 *who is under 12 years of age.*

21 (4) *“Taxpayer” means an individual who is unemployed and*
22 *who received unemployment insurance compensation benefits*
23 *awarded pursuant to Chapter 5 (commencing with Section 1251)*
24 *of Part 1 of Division 1 of the Unemployment Insurance Code.*

25 (d) *If the credit allowed by this section exceeds the “net tax,”*
26 *the excess may be carried over to reduce the “net tax” in the*
27 *following year, and succeeding years if necessary until the credit*
28 *has been exhausted.*

29 (e) *No deduction shall be allowed as otherwise provided in this*
30 *part for that portion of expenses paid or incurred for the taxable*
31 *year that is equal to the amount of the credit allowed under this*
32 *section.*

33 SEC. 2. *This act provides for a tax levy within the meaning of*
34 *Article IV of the Constitution and shall go into immediate effect.*

35 ~~SECTION 1. The Legislature declares its intent to enact~~
36 ~~legislation that would reduce personal income taxes.~~

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